

Meeting with Mr. Kirkpatrick and others  
(including Echols, Bannerman, Tietjen)

Thursday, 19 March, 11 a.m.

DCI Conference Room

<b>TRANSMITTAL SLIP</b>		DATE 17 April 1964
TO: Mr. Lloyd		
ROOM NO.	BUILDING	
REMARKS:  I recommend that we send a copy of Colonel White's memorandum and General Carter's hand-written note (attached) to the DD/P.  Recommend your initials on Routing Slip to DD/P.  ✓ VRT		
FROM:		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241  
1 FEB 55

REPLACES FORM 36-B  
WHICH MAY BE USED.

☆ GPO : 1957-O-439445

(47)

UNCLASSIFIED		CONFIDENTIAL		SECRET	
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS	DATE	INITIALS		
1	Executive Director-Comptroller 7E12 Hqs.	25 Feb.	LBK		
2	Deputy Director of Central Intelligence 7E12 Hqs.	3/7/64	RC		
3	<del>IG</del> IG	3/11/64	gk		
4	Exec Dir	1 apr	2/		
5	acting DDIS				
6					
ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
Remarks:					
<p>The DDS views make abundant sense - we need more persuasive supervision and command leadership at all levels -</p> <p style="text-align: right;">7 Mar 64</p>					
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FROM: NAME, ADDRESS AND PHONE NO.				DATE	
Deputy Director for Support 7D18 Hqs.					
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DD/S 64-0756

Execution 1-1000  
64-18611

14 FEB 1964

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT : Selection-Out Procedures

REFERENCE : Memo dtd 9 Jan 64 to DCI fr DD/P, same subject

1. This memorandum is for information only. It responds to your request for our comments about reference memorandum.

2. Several years ago the Agency decided that we would not adopt the standard Civil Service Commission Reduction in Force procedure. I believe this decision is as fundamentally sound today as it was when it was first taken. The standard Reduction in Force procedure is undesirable for many reasons, including the fact that it makes veterans' preference and seniority the prerequisites to all other considerations which must be weighed in establishing the retention rosters. Inasmuch as we have retained our statutory privilege of maintaining an independent employment policy which does not include preference for veterans and found the standard RIF procedure undesirable in many other respects, we developed our own system for separating surplus personnel as prescribed in Headquarters Regulation

3. The factors which make our present procedure objectionable would be the same in any other procedure designed for the same purpose. The only way our present system could be made more acceptable to the employee would be through the development of a better terminal pay or retirement plan to lessen the impact upon the employee's state of economic security. Our retirement legislation has, of course, progressed beyond the point where it would be feasible to introduce amendments, even if that might be considered desirable. Changes in our terminal pay plan would require that we obtain the concurrence of the Bureau of the Budget, Civil Service Commission, White House, and our Committees in Congress, all of which concurred in our present terminal pay plan.

4. The separation of the sub-standard employee is, of course, quite different from the separation of the individual whose performance may have been quite satisfactory but whose skills are surplus to our current requirement at any given time. We have a separate procedure prescribed in HR  to accomplish the separation of individuals who fail to meet the work and efficiency standards of the Agency. This procedure, of course, should not be confused with the system for separating surplus personnel.

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5. If there is a serious deficiency in our system of personnel management, it is that we do not, in the normal course of events, make any positive effort to identify individuals who do not measure up to the performance requirements of their Career Service. Although I am sure the need to eliminate sub-standard personnel is accepted in the abstract, the several Career Services do not make any continuing positive effort to identify individuals who do not measure up to the performance requirements. The task of identification is left largely to the individual supervisor who, for many understandable reasons, is reluctant to carry it out. The factors which limit an employee's utility may develop slowly over a period of years, and in many parts of the Agency the relationship between supervisor and employee is often a fleeting one of a few years at most. Even though the supervisor may make a judgment that the individual's performance is sub-standard, he may be reluctant to record it or even find it difficult to document if the individual has been under his supervision for no more than a normal tour of duty or fraction thereof. I believe that the solution is for the Career Service mechanism to assume the major responsibility for reviewing the accumulative record of its employees regularly in order to identify the marginal person and develop an appropriate solution to the problem he creates.

6. In summary, I believe we have paid too little attention to those people of diminishing usefulness who are the problems of today and tomorrow. We have the regulations, mechanisms, and concepts, but our application of them is weak. I believe that an effort at the Career Service level aimed at the identification and separation of marginal personnel is a continuing requirement. I would be reluctant to attempt to develop any substantial revisions of our separation policy and procedures hastily in an atmosphere of pressure to accomplish a reduction in personnel strength before the end of the Fiscal Year. Moreover, I do not believe that we would be justified in undertaking another "701 exercise" until the indications that it will be necessary are much more forceful than they are now. It remains possible that our early retirement legislation will be available to us in time to be helpful in accomplishing some reduction in our strength, and I believe we might find later that any action we take now to accomplish a reduction in force might prove to be precipitous if in fact the legislation does become available to us in time. I feel strongly that we should wait until we have a much more definite indication that it will not be available to us before we embark upon a reduction in force program. I believe the most appropriate action for us to take now is a reinforcement of the Career Service mechanism and a concerted effort by the several Career Services to apply the policies and procedures currently available to them

L. K. White  
Deputy Director

for Support

Att: Ref Memo (Orig & 1 cc)

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TO	NAME AND ADDRESS						DATE		INITIALS		
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ACTION				DIRECT REPLY				PREPARE REPLY			
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COMMENT				FILE				RETURN			
CONCURRENCE				INFORMATION				SIGNATURE			
<p><b>Remarks:</b></p> <p align="center">May we have your comment on the attached before it goes forward to DCI.</p> <p align="center"><u>SUSPENSE TO DD/S: 27 January 1964</u></p>											
FOLD HERE TO RETURN TO SENDER											
FROM: NAME, ADDRESS AND PHONE NO.										DATE	
<p align="center">Executive Director</p>											
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DDP 4-0100

Executive Registry

64-186

9 JAN 1964

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Selection Out Procedures

1. This memorandum contains a recommendation for your approval in paragraph 5.

2. The Clandestine Services has had and continues to have a serious problem in manpower management, related to but distinct from the ceiling-strength ratio which currently is receiving so much attention. This problem pertains to the creation within CIA of a useful modality whereby we may make adjustments in our staff necessary to attain and maintain a competent, mobile, properly equipped corps of clandestine operations officers and supporting staff. The crash methods, occasioned by a critical world situation, under which a substantial portion of our staff was assembled a decade or more ago are in some respects at the root of our trouble today. We have many fine officers who are making major contributions to our work and can be expected to continue to do so. At the same time, there exists a modest number of individuals who, despite a period of experience and training, have not achieved or have not maintained acceptable CS standards of competence or usefulness. The future value of this group is diminishing rather than increasing. In fairness to them and to ourselves, it is necessary that we develop an effective means of "selecting out" those who cannot meet CS standards of versatility and of performance.

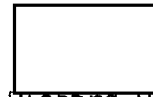
3. Not only is such a procedure required as a balancing factor in relation to our existing staff, but also it is a necessary concomitant of continuing the input of younger officers who are made available by the Junior Officers Training Program. It recognizes, moreover, that in any group, despite the most careful initial screening, there will be those who do not measure up to anticipated potential and thus in time become placement or selection out problems. Generally speaking, once individual cases are identified, the sooner action is taken the better for all concerned.

- 2 -

4. Existing procedures (HR ) should be examined and changes made where necessary to provide a flexible and useful system, with particular emphasis on the individual case. Our recent major effort to separate surplus personnel under the "701" program was only partly effective and caused much malaise and disruption. It may be that the procedures were overly complicated, resulting in unreasonable delays in arriving at and implementing decisions. In retrospect, it does not appear that the importance of our separation procedures as a problem in employee relations was recognized nor was the necessity of employee acceptance clearly understood. The attempt, as you are aware, was our initial effort at reducing our force and has given us valuable experience which can be applied to developing an improved system.

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5. It is recommended that a suitable Agency procedure be developed for selecting out personnel who are not required or who do not meet the standards established by the respective Deputy Directors. Such a system of separating personnel should be Agency-wide, should be equitable to all concerned and should be fully understood by all employees and accepted by them as a condition of employment in our Career Services.



Richard Helms  
Deputy Director for Plans

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cc: DDCI

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CENTRAL INTELLIGENCE AGENCY			
OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	DD/S	1 Jan 64	URT
2	D/Personnel		
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ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
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Remarks:			
<p><i>Tc2:</i></p> <p>May we have your comment on the attached before it goes forward to DCI.</p> <p>SUSPENSE TO DD/S: 27 January 1964</p> <p>. . . OVER. . .</p>			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
Executive Director			17 Jan 64
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Distribution:


Orig - D/Pers w/O & 1 ccy of DD/S 64-0127

1 - DD/S Subject w/ccy of DD/S 64-0127

DD/S 64-0127: Memo dtd 9 Jan 64 to DCI fm DD/P  
subj: Selection Out Procedures

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Approved For Release 2002/08/15 : CIA-RDP84-00780R000600120037-5

TO: Colonel White via <u>Mr. Lloyd</u>		DATE 12 Feb 64
ROOM NO.	BUILDING	
REMARKS:  Recommend your signature.   RHW  This has the approval of the D/Pers. V.T.		
FROM:		
ROOM NO.	BUILDING	EXTENSION

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UNCLASSIFIED		CONFIDENTIAL		X	SECRET
<p align="center"><b>CENTRAL INTELLIGENCE AGENCY</b> <b>OFFICIAL ROUTING SLIP</b></p>					
TO	NAME AND ADDRESS	DATE	INITIALS		
1	Director of Personnel	6 FEB 1964	[Signature]		
2	Deputy Director for Support				
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ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
<p><b>Remarks:</b></p> <p>1. This memorandum has been excerpted from your memorandum to Colonel White. If you agree I will present it to him for signature and forwarding to DDCI. If you do not agree please make whatever changes you feel desirable, but in order to save time I will appreciate it if you will incorporate any changes in a memorandum from Colonel White to the DDCI.</p> <p align="right">VJ. VRT</p>					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.					DATE
Executive Officer to the					
Deputy Director for Support, 7 D 24					6 Feb 64
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DD/S 64-0756

Approved For Release 2002/08/15 : CIA-RDP84-00780R000600120037-5

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT : Selection-Out Procedures

REFERENCE : Memo dtd 9 Jan 64 to DCI fr DD/P, same subject

1. This memorandum is for information only. It responds to your request for our comments about reference memorandum.

2. Several years ago the Agency decided that we would not adopt the standard Civil Service Commission Reduction in Force procedure. I believe this decision is as fundamentally sound today as it was when it was first taken. The standard Reduction in Force procedure is undesirable for many reasons, including the fact that it makes seniority and veterans' preference prerequisites to all other considerations which must be weighed in establishing the ~~criteria~~ <sup>prerequisites</sup> of retention preferences. Inasmuch as we have retained our statutory privilege of maintaining an independent employment policy which does not include preference for veterans and found the standard RIF procedure undesirable in many other respects, we developed our own system for separating surplus personnel as prescribed in Headquarters Regulation

3. The factors which make our present procedure objectionable would be the same in any other procedure designed for the same purpose. The only way our present system could be made more acceptable to the employee would be through the development of a better terminal pay or retirement plan to lessen the impact upon the employee's state of economic security. Our retirement legislation has, of course, progressed beyond the point where it would be feasible to introduce amendments, even if that might be considered desirable. Changes in our terminal pay plan would require that we obtain the concurrence of the Bureau of the Budget, Civil Service Commission, White House, and our Committees in Congress, all of which concurred in our present terminal pay plan.

4. The separation of the sub-standard employee is, of course, quite different from the separation of the individual whose performance may have been quite satisfactory but whose skills are surplus to our current requirement at any given time. We have a separate procedure prescribed in HR  to accomplish the separation of individuals who fail to meet the work and efficiency standards of the Agency. This procedure, of course, should not be confused with the system for separating surplus personnel.

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MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT : Selection-Out Procedures

REFERENCE : Memo dtd 9 Jan 64 to DCI fr DD/P, same subject

1. This memorandum is for information only. It responds to your request for our comments about reference memorandum.

2. As I see it, the Deputy Director for Plans believes that there are a number of persons in the Clandestine Services too marginal in their performance, too limited in assignability, and too lacking in growth potential to be tolerated in so critical a service as the CIA. He anticipates that future years will produce additional cases of this kind and the problem of disposing of them will increase unless corrective measures are established now. He seems to be suggesting a formal selection-out program which regularly would prune from the organization the deficient, mediocre and superfluous. A formal and publicized selection-out system can indeed be an effective means of "upgrading" a career service. The Foreign Service and the military services have upgrading and manpower balancing systems of the "up or out" type in effect. A major objective in seeking a CIA Retirement System like that of the Foreign Service is to obtain "discontinued service" benefits which would make a selection-out program acceptable as a basic condition of employment. (In this respect I feel it would be premature to initiate any formal selection-out program until we have approval for our CIA Retirement System.)

3. A great deal of attention has been given in the past few years to the involuntary separation of personnel who are of insufficient utility and potential to warrant their continued employment. As a matter of fact, over 900 such persons terminated their Agency service during the past six years under existing regulations and procedures. The problem, however, becomes critical when monetary and manpower controls demand a high level of performance and versatility from all employees, which is our situation today and for the foreseeable future.

4. In this connection I am convinced that there is a serious deficiency in our system of personnel management. This deficiency is the absence of

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positive efforts to identify individuals who for any reason do not measure up to the performance requirements of their career service. Although I am sure the need to eliminate sub-standard personnel is abstractly accepted, the task of identification is left largely to the individual supervisor who for many understandable reasons is reluctant to carry it out. The present Fitness Reporting system by rating and reviewing officials fails to deal adequately with that portion of the work force which is marginal rather than clearly unsatisfactory in performance. This does not necessarily reflect adversely on the rating and reviewing officials. The factors which limit an employee's utility may develop slowly over a period of years, and in many parts of the Agency the relationship between supervisor and employee is often a fleeting one of a few years at most. I believe that the solution is for the Career Service mechanism to assume the major responsibility for reviewing the cumulative record of its employees regularly in order to identify the marginal person; and develop an appropriate solution to the problem he creates.

5. Most of the people identified through such a review will be potentially useful people who would be more productive in other work situations. Their Agency records will probably be reasonably good, but they simply will no longer meet our requirements. Agency management has been less than imaginative and forthright in dealing with those people. An effective way to deal with them is to advise them authoritatively and as early as possible that their careers with CIA are marginal. The individual should be convinced that this judgment is fair, thoughtful, and impartial, and he should be given all reasonable assistance in finding satisfactory alternative employment.

6. In summary, I believe that we have paid too little attention to those people of diminishing usefulness who are the problems of today and tomorrow. We have the regulations, mechanisms, and concepts but our application of them is poor. I believe that an effort at the Career Service and Agency levels aimed at the identification and departure of marginal personnel is a continuing requirement. Properly and discreetly handled, I believe most marginal employees can be reassigned, retired, or induced to resign with a minimum amount of antagonism or personal embarrassment.

L. K. White  
Deputy Director  
for Support

Att: Ref Memo (Orig & 1 ccy)

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DDP 64-0493

27 JAN 1964

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Comments on Memorandum of the Deputy Director for Plans dated 9 January 1964, subject: Selection Out Procedures

1. I have carefully studied the memorandum of the Deputy Director for Plans in an attempt to grasp both the underlying problem with which he is concerned and the changes which he may be seeking in Agency regulations as a remedy. I have also discussed the memorandum with [redacted] Chairman of the Personnel Management Committee for the DD/P. I have not discussed the subject with Mr. Helms himself, however, and my comments reflect my conjectures as to the nature of the problem as seen by Mr. Helms and the solution he proposes. As I see it, the Deputy Director for Plans believes that there are today in the Clandestine Services a number of persons too marginal in their performance, too limited in assignability, and too lacking in growth potential to be tolerated in so critical a service as the CIA. He anticipates that future years will produce additional cases in this category so that the problem of disposing of such individuals will increase in magnitude unless corrective measures are established now.

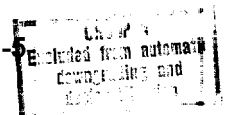
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2. As you know, a great deal of attention has been given in the past dozen years or so to the involuntary separation of personnel who for a variety of reasons are of insufficient utility and potential to CIA to warrant their continued employment. As a matter of fact, over 900 such persons terminated their Agency service during the past six years under existing regulations and procedures. The problem, however, becomes critical when monetary and manpower controls relative to assigned missions demand performance and versatility of a high degree from all employees. This is our situation today and for the foreseeable future.

3. The Deputy Director for Plans is, I believe, suggesting a formal "selection-out" program which regularly would prune from the organization the deficient, mediocre and superfluous. A formal and publicized selection-out system can indeed be an effective means of "upgrading" a career service. Both the Foreign Service and the military services have upgrading and manpower balancing systems of the "up or out" type in effect. A major objective in seeking a CIA Retirement System like that of the Foreign Service is to obtain "discontinued service" benefits which would make a selection-out program acceptable as a basic condition of employment. (In this respect I feel it would be premature to initiate any formal selection-out program until we have approval for our CIA Retirement System.)

4. I am convinced that there exists in the Agency today, perhaps most significantly within the Clandestine Services, a serious deficiency in the operation of our system of personnel management. This deficiency is the absence of positive efforts to seek out and identify those individuals who for any reason cannot, do not, or will not measure up to the performance requirements of their career service. Although I am sure the need to eliminate sub-standard personnel is abstractly accepted, the task of identification is left largely to the individual supervisor who for many understandable reasons is reluctant to carry it out. In this regard, it is significant to note that only ten "Weak" Fitness Reports were received from the Plans Directorate during Calendar Year 1963 and only six step increases were

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withheld for less than fully acceptable performance. It is difficult to reconcile this record with the concern of the Deputy Director for Plans over the quality and effectiveness of the personnel in his service. The answer seems obvious: the present Fitness Reporting system by rating and reviewing officials fails to deal adequately with that portion of the work force which is marginal in utility rather than clearly unsatisfactory in performance. This does not necessarily reflect adversely on the rating and reviewing officials. The factors which limit an employee's utility may develop slowly over a period of years, and in the Clandestine Services the relationship between supervisor and employee is often a fleeting one of a few years at most. I believe that the solution is for the Career Service mechanism to take on the major responsibility for reviewing the cumulative record of its employees on a regular basis in order to identify the marginal person and for developing an appropriate solution to the problem he creates. The solution will vary with the facts of each case: it may be reassignment, retraining, disability retirement, or involuntary separation; but with proper handling, many cases would result in voluntary, "inspired" resignations.

5. Most of the people identified through such a review will be potentially useful people who would be more productive in other work situations--and their Agency records will probably be reasonably good--they simply no longer meet our needs or our requirements. Agency management has been less than imaginative and forthright in dealing with such people. An effective and preferred way to deal with such people is to advise them authoritatively and as early as possible that their careers with CIA are marginal, without significant promise, and of uncertain duration. Such notification must come from an officer of authority within the Career Service. The individual should be convinced that this judgment regarding his future CIA career prospects is a fair, thoughtful, and impartial one. He should be offered as much as a full year to prepare for and seek out other employment. Lastly, he should be given all reasonable assistance in the form of employment leads, introductions, and references.

6. In summary, I believe that we have paid too little attention on a regular basis to those people of diminishing usefulness who are the problems of today and tomorrow. We have the regulations, mechanisms, and concepts but our application of them is poor. I believe that a continuing effort at the Career Service and Agency levels aimed at the identification and departure of marginal personnel is an immediate requirement. After identification by the Career Services, the solution to each case should be developed in full collaboration with the Office of Personnel. Properly and discreetly handled, I believe most marginal employees can be reassigned, retired, or induced to resign with a minimum amount of antagonism or personal embarrassment. If one of these results does not materialize, a proper record can be established which will fully support involuntary separation under existing regulations if such is ultimately necessary.

7. I can think of several ways to initiate improvement in our performance in this area and to get us on the right road. It could be stimulated by informal discussion and direction at the Deputy Director level, by one or more presentations at Senior Staff Meeting, or a "think piece" could be prepared for transmittal by the Deputy Director of Central Intelligence as an action directive to officials concerned. Whatever other steps might be taken, I believe that positive policy guidance in this area from the Deputy Director of Central Intelligence is most desirable to remove the confusion and uncertainty created by his widely expressed reservations regarding various aspects of the recent DD/P "701" exercise.

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Director of Personnel